Hyper-Inflation from May, 1995

3326. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether there is any possibility of hyper-inflation in the economy from May, 1995; and

(b) what rate of inflation should be there for Government to term it as hyper-inflation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) No Sir. There is no likelihood of India recording hyper-inflation of the type seen in some of the Latin American countries. The highest annual inflation rate of 30 per cent was last recorded in 1973-74 caused by the OPEC oil-shock. Thereafter, the peak inflation rate touched 20.4 per cent in 1979-80 and 16.3 per cent in September 1991-92. The latest inflation rate based on wholesale price index for the week ending 8th April, 1995 has dropped in 9 per cent.

assistance provided by IFCI

3327. SHRI YERRA NARAYANASWAMY: Will the MINISTER OF FINANCE be pleased to state:

(a) what is the number of units financed for establishing new industries by IFCI during 1992-93, 1993-94 and 1994-95;

(b) the sanctions made for such units respectively;

(c) the number of units which received sanction for above years, but actual disbusral were not made; and

(d) the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) The Industrial Finance Corporation of India Ltd. (IFCI) has reported that the details of financial assistance sanctioned to new projects during 1992-93, 1993-94 and 1994-95 are as under:

	No. of Units	Sanctions (Rs. crore)	No. of Units to which no disbursement as on 31-01-1995 was made	
			IFCI lead cases	Other institutions in lead
1992-93	123	886.08	3	4
1993-94	132	2130.59	24	8
1994-95*	104	2028.80	48	12

*April—January.

IFCI has reported that the reasons for non-disbursement of assistance include, *inter alia*, non-compliance of documentation/pre-disbursement conditions, time-lag in trying up the means of financing, delay in securing various statutory approvals/clearances from concerned authorities, delay in clearance of dues in respect of existing assisted units by State Government, change in locations of project and assisted units first utilising the funds raised from the capital market. The disbursal of loan in also linked with the scheduled/and pace of implementation of project as well as schedule of drawal of funds. The disbursement is made by IFCI after ensuring the compliance of various conditions and formalities.